



September 2, 2004

Ms. Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

***Ex parte* Notice**

Re: Performance Measurements and Standards for Interstate Special Access Services; Petition of U S West, Inc., for a Declaratory Ruling Preempting State Commission Proceedings to Regulate U S West's Provision of Federally Tariffed Interstate Services; Petition of Association for Local Telecommunications Services for Declaratory Ruling; Implementation of the Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act of 1934, as amended; 2000 Biennial Regulatory Review - Telecommunications Service Quality Reporting Requirements; AT&T Corp. Petition to Establish Performance Standards, Reporting Requirements, and Self-Executing Remedies Need to Ensure Compliance by ILECs with Their Statutory Obligations Regarding Special Access Services – CC Docket Nos. 01-321, 00-51, 98-147, 96-98, 98-141, 96-149, 00-229, and RM-10329.

Dear Ms. Dortch:

On September 1, 2004, the undersigned and Susan Gately, Senior Vice President of Economics and Technology, Inc. ("ETI"), on behalf of the Ad Hoc Telecommunications Users Committee, met with Commissioner Adelstein and Legal Advisor Barry J. Ohlson to discuss the white paper entitled *Competition in Access Markets: Reality or Illusion*, prepared by ETI and previously filed as an *ex parte* in the above referenced proceeding on August 26, 2004.

The parties discussed the contents of the white paper, focusing on the pricing trends, and astonishingly high rates of return earned by incumbent local exchange carriers ("ILECs"), for special access services and the paper's conclusion that markets for access services are not competitive. The parties also discussed two slides, attached hereto, which describe (i) the dramatic upward



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pricing trend for ten-mile DS-1s provided by Qwest; and (ii) the relatively small number of buildings in the City of San Francisco to which competitive local exchange carriers ("CLECs") can connect using their own facilities compared to buildings in San Francisco for which CLECs must rely on special access services obtained from incumbent local exchange carriers.



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Pursuant to Section 1.1206(b) of the Commission's Rules, 47 C.F.R. § 1.1206(b), copies of this letter and attachments are being filed with the Office of the Secretary.

Sincerely,

A handwritten signature in black ink that reads 'Colleen Boothby'. The signature is written in a cursive, flowing style.

Colleen Boothby

Counsel for
Ad Hoc Telecommunications Users
Committee

Attachments